

HCS HB 1183 -- OWN RISK AND SOLVENCY ASSESSMENTS RELATED TO THE
BUSINESS OF INSURANCE

SPONSOR: Gosen

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Insurance
Policy by a vote of 8 to 0.

This bill enacts the provisions of the model legislation of the own risk and solvency assessments (ORSA) legislation developed by the National Association of Insurance Commissioners. The purpose of the model legislation is to allow large- and medium-sized insurers to develop their own model of current and future financial risk and allow regulators to determine how insurers will react to financial stress.

Beginning January 1, 2015, insurers must file a report on solvency risk with the Director of the Department of Insurance, Financial Institutions and Professional Registration. The department director is to determine the deadline for the report. Insurers required to file the report are specified in the bill, and the criteria for the report are specified in the bill. Procedures for sharing information with the National Association of Insurance Commissioners and for maintaining records are also specified. All documents, materials, or other information, including the ORSA summary report, disclosed to the department director under these provisions is recognized by this state as being proprietary and to contain trade secrets and must be confidential by law and privileged and not subject to disclosure under Chapter 610, RSMo, the Open Meetings and Records Law, commonly known as the Sunshine Law; be subject to subpoena; or be subject to discovery or admissible in evidence in any private civil action. The department director must not make the documents, materials, or other information public without the prior written consent of the insurer. Any insurer failing without just cause to timely file a required ORSA summary report commits a level two violation with respect to each day's delay.

PROPOSERS: Supporters say that the bill will help ensure that insurers remain solvent during times of financial stress. The bill is model legislation from the National Association of Insurance Commissioners and must pass by 2018 for the Department of Insurance to retain its accreditation.

Testifying for the bill were Representative Gosen; Missouri Insurance Coalition; Matt Fillo, RGA Reinsurance Company; and Department of Insurance.

OPPOSERS: There was no opposition voiced to the committee.